

# Cost Models: Various Authors\*

## I. Tax Credit or Individual Subsidy Options

Description and Author	Model and Subsidy Structure
A. Low Income uninsured without ESI. [Zelenak] Cost = \$3,100	A. Tax credit of \$2,000 (individual) and \$4,000 (family) with possible age and sex-adjustments
B. Low-income workers without ESI offer or in small firms [<50 employees] (Curtis, <i>et. al.</i> ) cost = \$2,700	B. Same tax credit as above, <u>only</u> available if used with recognized purchasing pool.
C. Uninsured whose children are CHIP or Medicaid eligible [Weil]. Cost = \$2,500	C. Same tax credit as in (A) above. Available for CHIP or Medicaid, in addition to individual insurance market.
D. Low-income workers without ESI offer or in small firms (<10 employees) [Fuchs]. Cost = \$2,500.	D. Same tax credit as in (A) above. Only available with extended-FEHBP (Federal Employees Health Benefits Program)

## II. Employer based Options

Description and Author	Model and Subsidy Structure
A. Low income uninsured and uninsured workers with offer of ESI [Merlis] Cost = \$3,600.	A. Same tax credit as in (I.A.) above. ESIC – lessor of employee contribution and tax credit.
B. Employees in low-wage firms, self-employed if state law includes groups of one in small groups [Meyer and Wicks] Cost - \$,4,600	B. Tax credit is for <i>firms</i> with average wages <=\$10/hour; credit level tied to price of standard plan; credits distinct for individual and family coverage, employers must contribute 50% of standard plan premium.
C. Employees of small firms (<25 employees) and the self-employed [Rosenbaum, Borzi, and Smith] Cost (family income)= \$4,400 and Cost (individual wages) = \$21,000	C. Full employee share of (base) premium cost and 25% employer share for <100% FPL; 100%-150% FPL subsidize 75% of base premium; 150% FPL-max income subsidize 50% base premium; alternative based on hourly wage.

\*Source:

Incremental Coverage Expansions, The Commonwealth Fund, Publication #442. [www.cmf.org](http://www.cmf.org).